GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:6984
ANSWERED ON:11.05.2005
FDI CAP FOR COAL MINING
Das Gupta Shri Gurudas;Mehta Shri Bhubneshwar Prasad

Will the Minister of COAL be pleased to state:

(a) whether Government is considering a proposal to do away with FDi cap for coal mining;

(b) if so the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINISTER OF STATE IN THE MINISTRY OF MINES (DR.DASARI NARAYAN RAO):

(a) and (b) As per the existing policy on FDI in coal sector, private Indian companies setting up or operating power projects as well as coal or lignite mines for captive consumption are allowed FDI upto 100%. 100% FDI is allowed for setting up coal processing plants subject to the condition that the company shall not do coal mining and shall not sell washed coal or sized coal from its coal processing plants in the open market and shall supply the washed or sized coal to those parties who are supplying raw coal to coal processing plants for washing or sizing. FDI upto 74% is allowed for exploration or mining of coal or lignite for captive consumption. A comprehensive review of the extant policy on FDI in various sectors is being undertaken by the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion. The review is aimed at identifying areas of further liberalization keeping in view the investment/ developmental needs, strategic concerns and other relevant factors.